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# VPS Program Quarter 1 2017 Review

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## Q1 2017 VPS Summary & Recommendations for Approval

June 2, 2017



# Agenda

- Program Update
- Quarterly Overview of Results
- Q2 2017 Forecast
- Financials
- Approval Request



# VPS Program Update

- 52 CSEs participate in the VPS Program
  - 46 CSEs requested funds for Q1
  - 46 requested funds in Q4
  
- End-market issues in the marketplace persist
  - Limited outlets for all fiber types
  - N66 is only fiber type in demand
  - Processors have decreased demand
  - Little confidence among community on market improvement
  - Pad prices remain low
  
- AUPs are currently being conducted on 3 CSEs
  
- All CSEs that requested funds are CARE members in good standing



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# VPS Summary Results

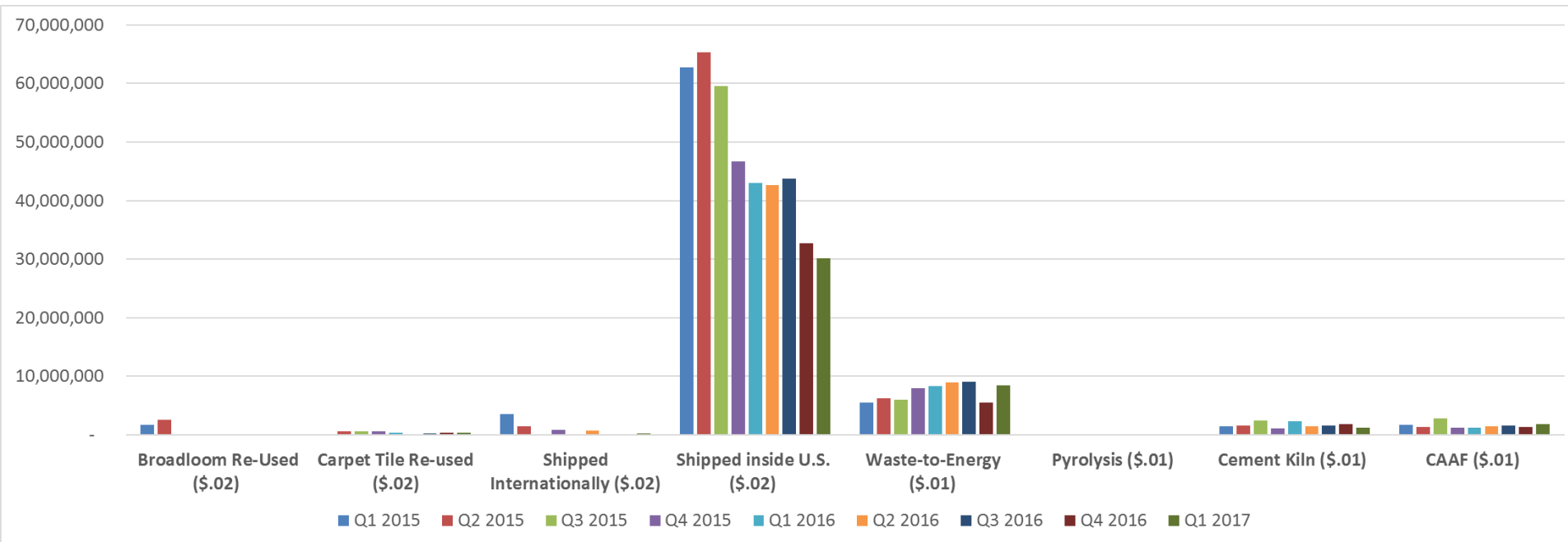


# Q1 2017 Summary Results

- 46 CSEs Requested Funds for Q4 2016
  - 52 CSEs participate in program (88% response rate)
  
- Output Eligible for Funding: 42,224,055 lbs.
  - Total Output: 59,985,248 lbs.
    - Landfilled: 11,478,742 lbs.
    - Ending Inventory: 6,282,451 lbs.
  
- **Total \$ Requested - \$714,426**
  - One CSE reached cap limit



# VPS Q1 Output Destinations (lbs.)

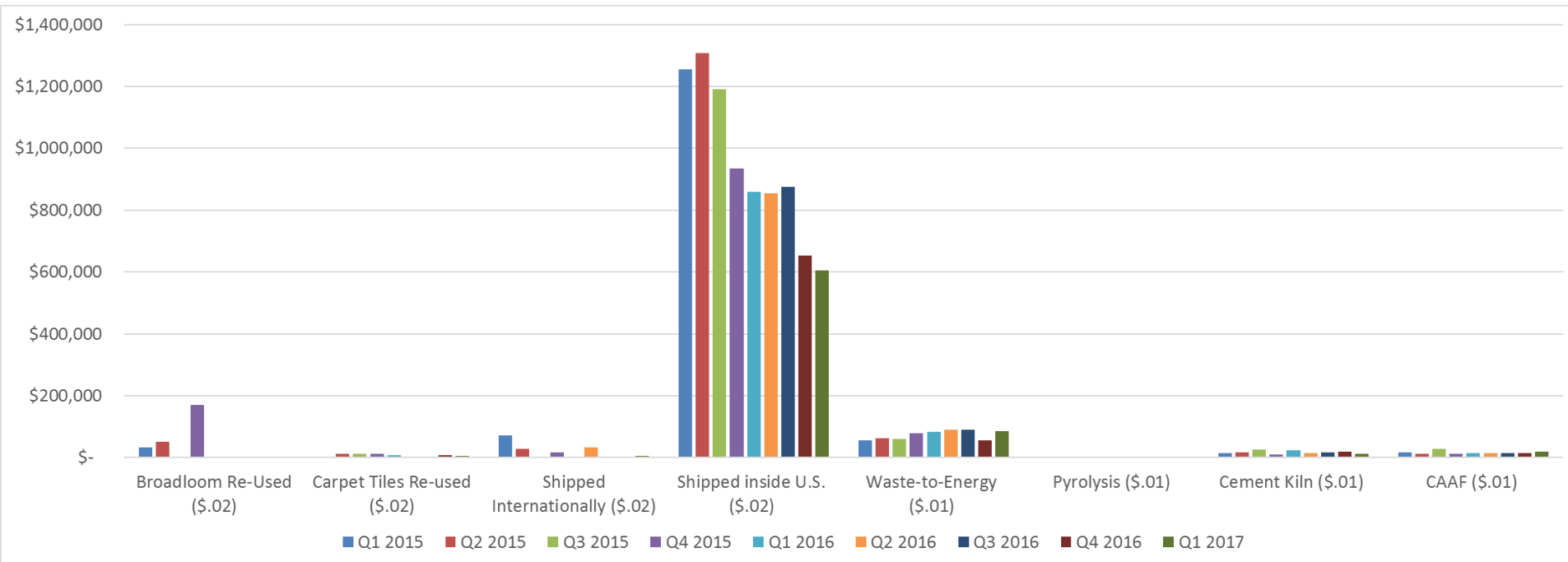


# VPS Q1 Output Destinations (lbs.)

<b>Pounds of Output</b>			
	<b>Q4 2016</b>	<b>Q1 2017</b>	<b>% +/- (Q4v.Q1)</b>
<b>Broadloom Re-Used (\$.02)</b>	27,258	24,544	-10%
<b>Carpet Tile Re-used (\$.02)</b>	335,139	299,499	-11%
<b>Shipped Internationally (\$.02)</b>	-	207,868	0%
<b>Shipped inside U.S. (\$.02)</b>	32,656,941	30,194,143	-8%
<b>Waste-to-Energy (\$.01)</b>	5,454,182	8,462,076	55%
<b>Pyrolysis (\$.01)</b>	-	-	0%
<b>Cement Kiln (\$.01)</b>	1,839,285	1,211,596	-34%
<b>CAAF (\$.01)</b>	1,366,246	1,824,329	34%
<b>Total</b>	<b>41,679,051</b>	<b>42,224,055</b>	<b>1%</b>



# VPS Q1 Output (\$s)



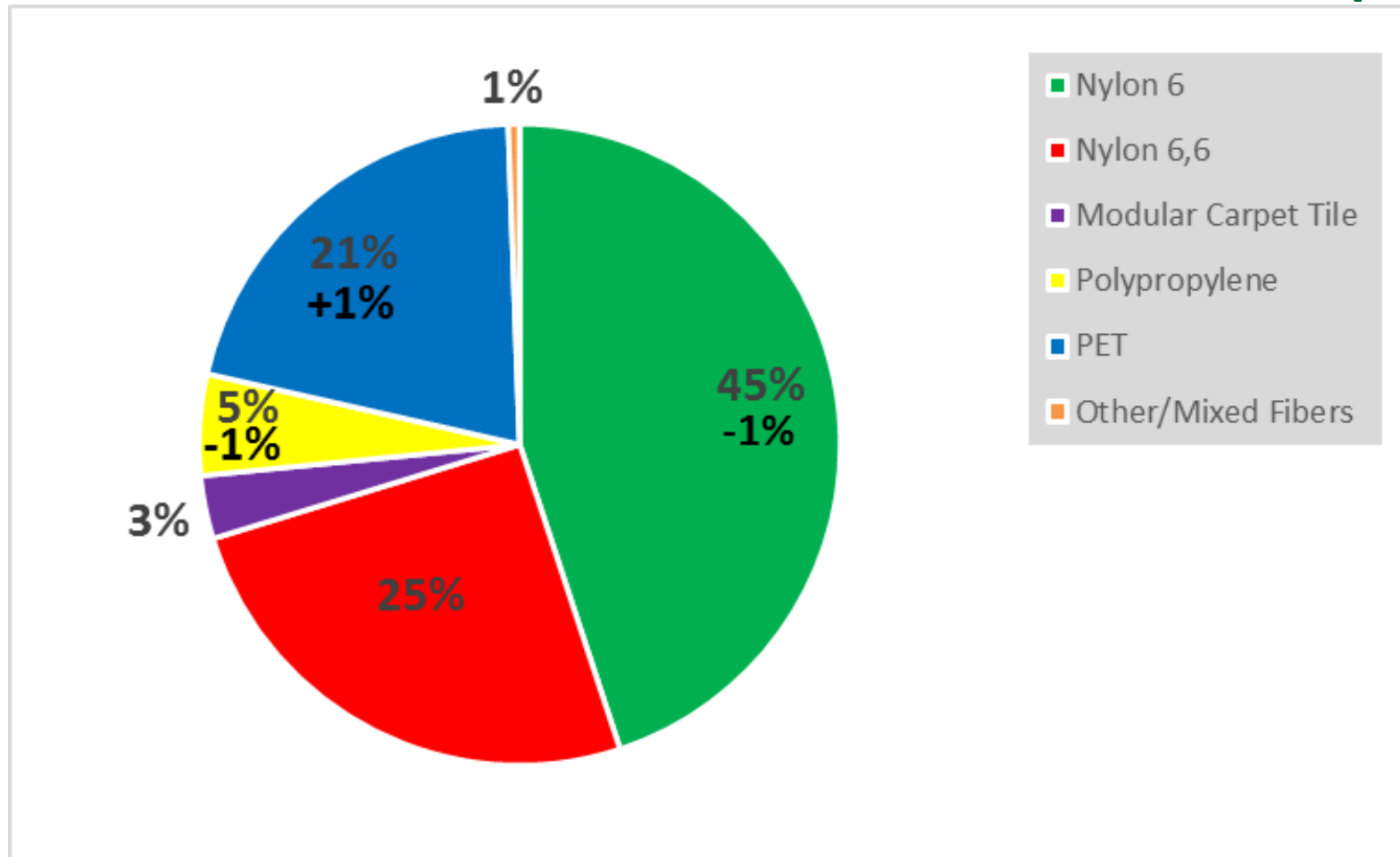


# VPS Q1 Output (\$s)

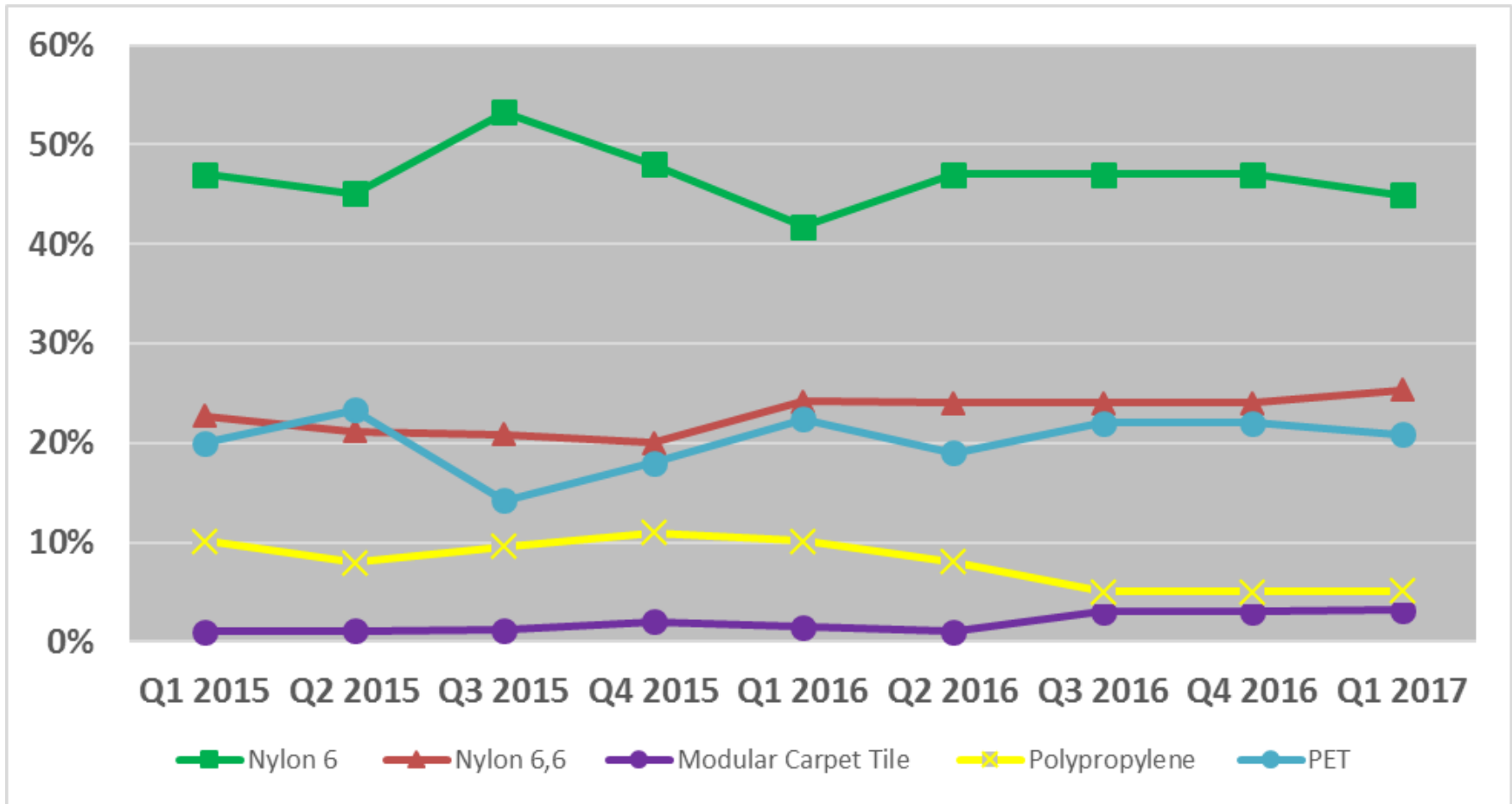
Output in \$s			
	Q4 2016	Q1 2017	% +/- (Q4v.Q1)
<b>Broadloom Re-Used (\$.02)</b>	\$ 545	\$ 491	-10%
<b>Carpet Tiles Re-used (\$.02)</b>	\$ 6,703	\$ 5,990	-11%
<b>Shipped Internationally (\$.02)</b>	\$ -	\$ 4,157	100%
<b>Shipped inside U.S. (\$.02)</b>	\$ 653,139	\$ 603,883	-8%
<b>Waste-to-Energy (\$.01)</b>	\$ 54,542	\$ 84,621	55%
<b>Pyrolysis (\$.01)</b>	\$ -	\$ -	
<b>Cement Kiln (\$.01)</b>	\$ 18,393	\$ 12,116	-34%
<b>CAAF (\$.01)</b>	\$ 13,662	\$ 18,243	34%
<b>Total Uncapped</b>	<b>\$ 746,984</b>	<b>\$ 729,501</b>	<b>-2%</b>
<b>Cap Correction</b>		\$ (15,075)	
<b>Overpayment Correction</b>			
<b>Grand Total Payout for Total</b>	<b>\$ 746,984</b>	<b>\$ 714,426</b>	<b>-4%</b>



# Face Fiber Breakdown of Sorted Output



# Face Fiber Breakdown

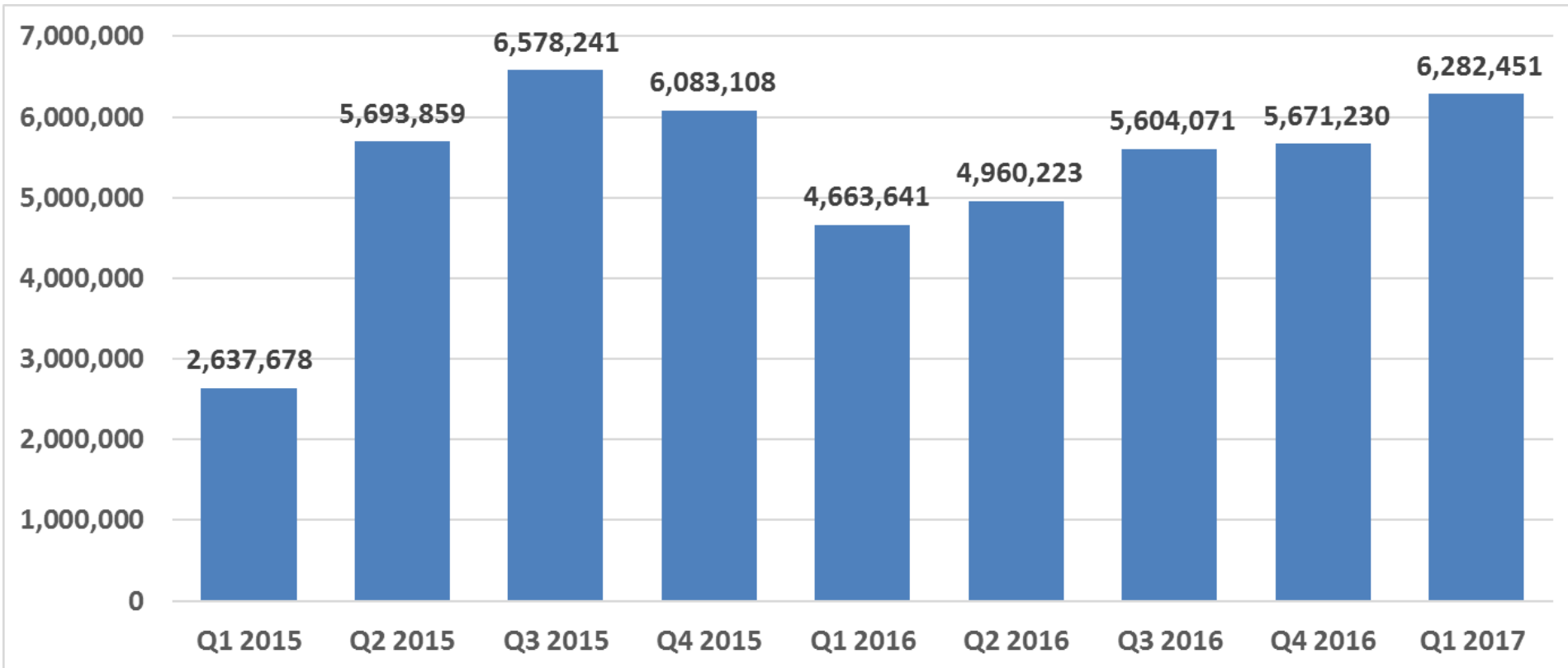


# Face Fiber Breakdown(%)

Face Fiber Breakdown - Shipped and Sold									
	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Q1 2017
Nylon 6	47	45	53	48	42	47	47	46	45
Nylon 6,6	23	21	21	20	24	24	24	25	25
Modular Carpet	1	1	1	2	1	1	3	3	3
Polypropylene	10	8	10	11	1	8	5	6	5
PET	20	23	14	18	22	19	22	20	21
Other/Mixed	0	1	1	0	0	0	0	0	1



# Inventory Levels

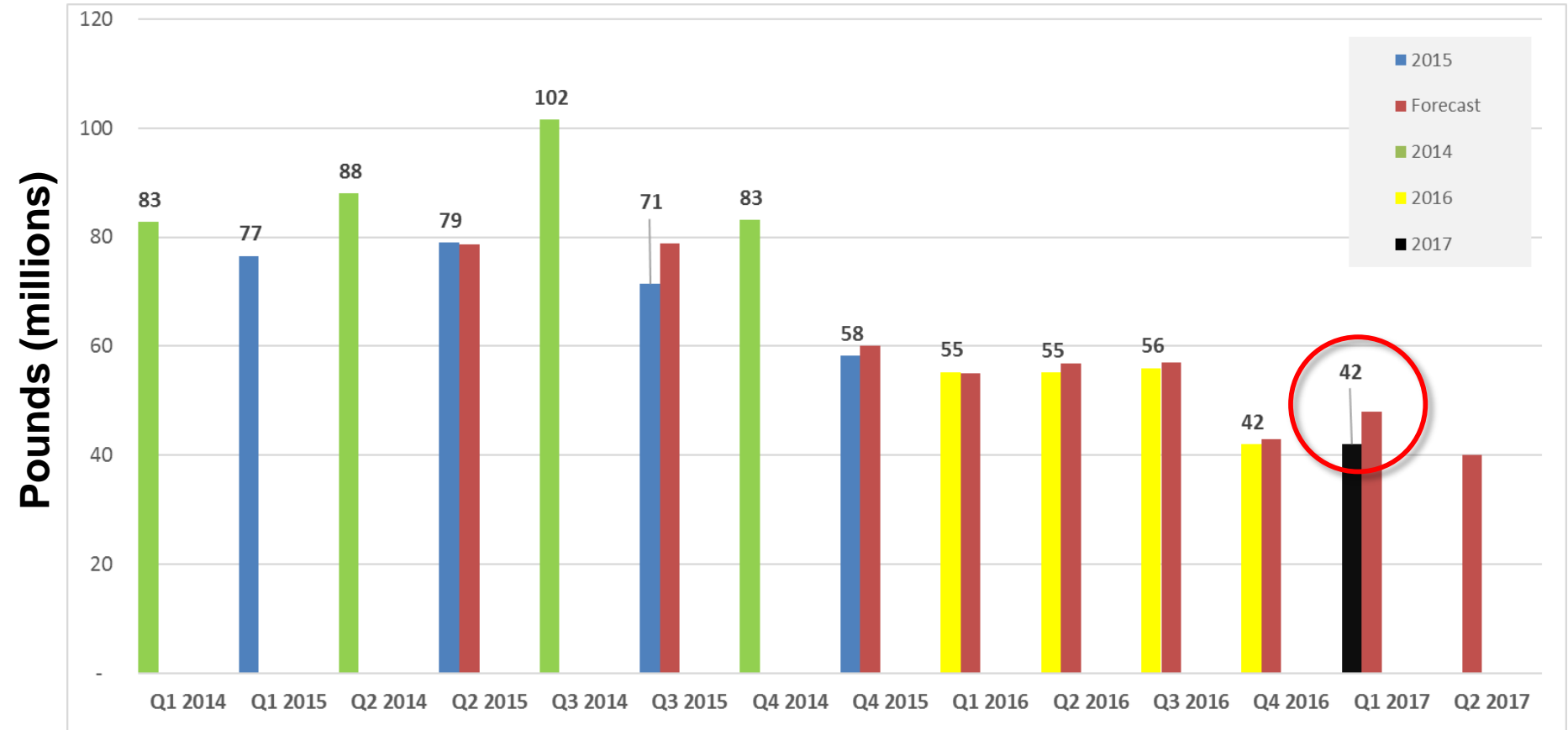


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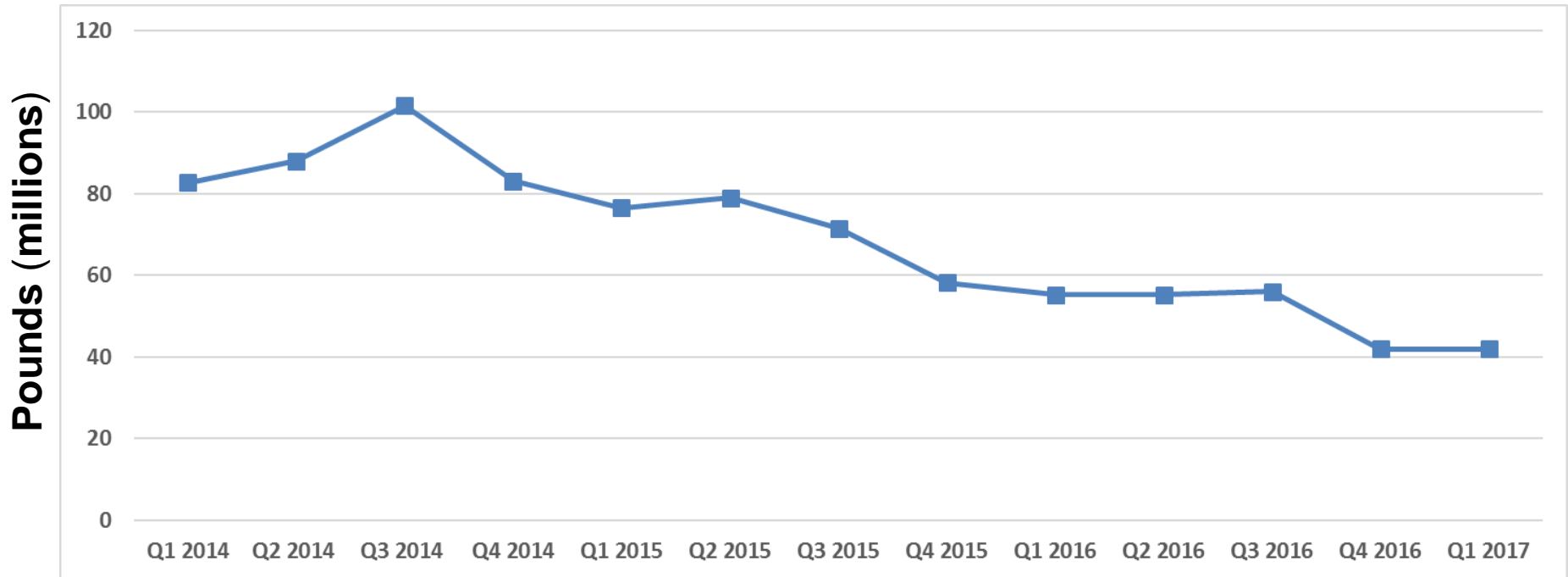
# VPS Q2 2017 Forecast



# Results and Forecasts



# Sorted Output Trend





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# VPS Financials



# VPS AUP Tracking

VPS CSE AUP Tracking			
	Selected	Completed	Note
Q1 2015	3	3	
Q2 2015	3	3	
Q3 2015	3	3	1 finding: Overpayment of \$49K to be paid back to VPS program in installments
Q4 2015	3	3	
Q1 2016	3	3	
Q2 2016	3	3	
Q3 2016	3	3	
Q4 2016	3	3	
Q1 2017	3		All are in final stages with no material findings

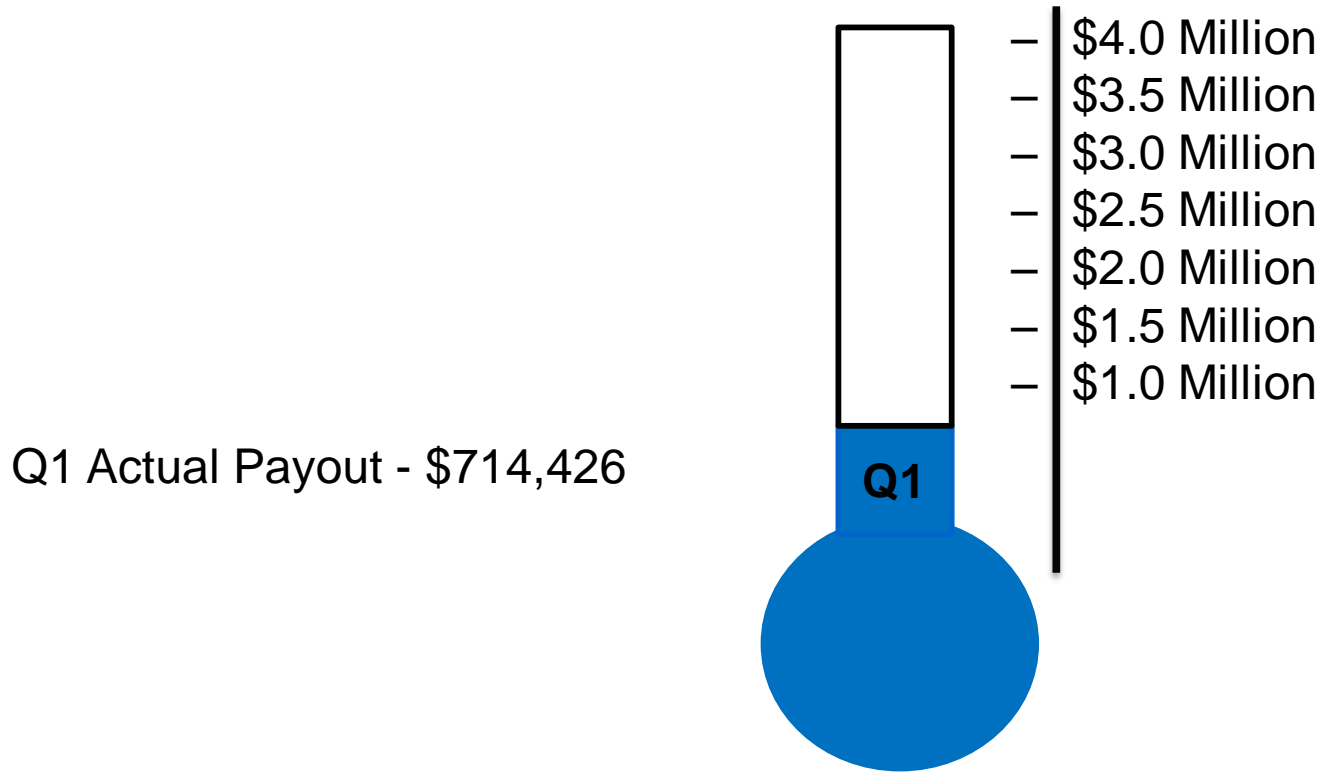


# Accounting Details for Quarter

Q1 2017	
Starting Balance	\$ 10,000.00
Admin Expenses	\$ (41,035.55)
CSE Payout	\$ (714,426.35)
Reserve	\$ (10,000.00)
<b>Transfer Amount</b>	<b>\$ (755,461.90)</b>



# VPS Payout vs. Budget



# Recommendations for VPS Approval

- 1) Approve transfer of \$755,462
- 2) Approve CSE Distribution of \$714,426
- 3) Approve Administrative reimbursements of \$41,035.55

*Total Payout Q1: \$755K*



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# End of Review

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